

INFORMAL

MEMORANDUM TO DISTRICT SUPERVISOR 10

10:47

Beirut, Lebanon
4 December 1959

In re: Samil KHOURY

1. I have just had a meeting with MA and Khoury. The latter had sent word, as I mentioned in my most recent memorandum on this subject, that he wanted to see me and offer his cooperation.

2. You will remember that Khoury helped us make the case against ARAMAN, HARROUK, KEVORKIAN several months ago, from which ARAMAN apparently paid his way out, but which led to considerable harrassment for him and all his associates, especially KEVORKIAN (alias BERHOND). The matter also led to a great deal of information and clearing-up of the general picture for the French (and Us for that matter).

3. Khoury is not satisfied, nor are we of course, with the outcome of the affair referred to above, and, being a vindictive person, wishes to inflict revenge on ARAMAN and the various French Corsican trafficker-customers whom he dislikes because of the bad debts they owe him. At least, this is his story.

4. With the above as preamble, Khoury told me that he is willing, if I will personally guarantee him against unfair treatment in Europe, to work for us against the French and ARAMAN. It is evident that he knows that I suspect him of ulterior motive in wanting to work for us against his old customers, and especially as he suggests that he should do some of this work in Europe. He offers to go where ever we tell him to, stay completely under our observation, and in short to work as hard as he can to help us make a case.

5. In our conversation a lot of the preliminary talk centered on my reasonable distrust of Khoury's intentions: is his desire for revenge on the French and on ARAMAN explanation enough for his willingness to help us? He states that he wants no reward, will even perhaps pay his own expenses. MA, whose motives are also not above all suspicion, insists that Khoury is such a grudge-bearer and little Caesar that the mentioned motives are in his case valid. From what I know of Khoury I am inclined to agree with that idea.

6. Khoury did say one thing which I think is supremely reasonable. He said that it was a bit foolish for everyone to watch his movements so carefully (I had told him I knew he had asked - unsuccessfully - for a Swiss visa); and that it was perhaps unrealistic for me to be so suspicious of his intentions while

working for us in Europe. His comment was: "If I wanted to send narcotics, I'd never do it myself either while on my own or while working with you people. If I ~~want~~^{want} want to carry on negotiations with customers there, I can do as usual - send an emissary or call my customer to Lebanon. I don't have to take the falsely "clever" method of pretending to work with you in order to get to Europe, where I'd spend all my time dodging your vigilance."

7. The reasoning in the paragraph above is, as I say, pretty good. I tend to go along with his comments. Yet, I believe that he does have an unstated motive still: he wants to be able to say that he has worked for us, or for the French, or for Interpol, because, as I have discovered, he is extremely sensitive to the spotlight and publicity under which he has found himself since we began to harass him. I think that he hopes that if he makes a really good case for us, thereby also eliminating his biggest competitors, we shall in future perhaps take it easy on him. I see no good reason for dissuading him of this hope, so long as we have made no remarks to that effect.

8. I am sure that he is not so stupid (quite the contrary) as to believe that we should give him a "license" in return for his help; but he might feel, as I mention, that we should be inclined to harass him a lot less. He is of course dead wrong, but there seems to be no reason to tell him so.

9. After much discussion, in which Khoury spoke, as only the once-biggest trafficker out here can speak, about the traffic to France, and methods of profiting from his services, we reached some tentative decisions.

10. It is impossible to make a sizeable case, one which would be commensurate with the potential of Khoury's services, without his going partners, or appearing to do so, with the intended source of supply defendant. He must also give us the French customer, and to do this he must know when and where the source will deliver to that customer. To go partners, or appear to do so, Khoury would have to invest heavily. We cannot allow this, nor could we do it if it were proper. We certainly cannot seize, or cause to be seized, our own narcotics. ~~to speak~~. Nor can we allow him to "set up" a customer with narcotics which he has supplied.

11. One idea, still in the formative stage as far as exact application goes, is the following; it is in line with thoughts you and I talked over recently. Khoury agrees to go to Europe (he said France, providing the Surete would agree and undertake not to trick him, but I told him that France would be a bad idea and he saw why quickly enough). In ~~France~~ Italy or Switzerland he would send a message (all this and every subsequent

action under our rigid control) to Robert BLEMENT, ex-French cop and major if unpublicized trafficker. (I chose BLEMENT because he does not know that Khoury dislikes him as well as Jean LORENZI and Joseph BALERINI; we might alter this choice to the VENTURI brothers or Antoine CORDOLEANI, whom Khoury knows.) Khoury will summon the customer to a meeting; he insists that no really important ~~customer~~ buyer would fail to come. We can monitor the meetings.

12. Khoury will tell prospective customer, let us say BLEMENT for example, that he is back in business. He will discuss past affairs with the customer in the greatest possible detail. He will not offer narcotics. BLEMENT will press Khoury to sell to him. Khoury will say that he does not have a supply, and that in any event he is tired of being cheated, and that his partner, Antoine ARAMAN feels the same way. He will add that ARAMAN has a large supply, and that he, Khoury, might prevail upon ARAMAN to talk over business with BLEMENT if the latter will pay a large sum in advance, to ARAMAN.

13. BLEMENT trusts Khoury, and also, Khoury insists, will try to outsmart him. BLEMENT will give Khoury a down-payment to give to ARAMAN, intending never to pay the balance, once he has the merchandise. Of this Khoury (and MA) is certain. BLEMENT will ask Khoury to act for him; BLEMENT, Khoury declares, would not do business this way, paying something in advance, with ARAMAN alone: ARAMAN is a noted thief, whereas Khoury enjoys a reputation for honesty in his financial dealings - I know this to be true.

14. In Lebanon, Khoury will already have intimated to ARAMAN that he is going to Europe to talk over business; ARAMAN will have asked Khoury to join with him. Although Khoury and ARAMAN were angry because of the KEVORKIAN affair, Khoury tells me that he has already made peace with ARAMAN, who admitted that Khoury was justified in hurting him in revenge for ARAMAN's doublecrossing (ARAMAN tried to do business with Khoury's old customers, you will remember).

15. Khoury, in order to demonstrate that he could work with ARAMAN, admitted to me that he has, since their falling-out, already helped ARAMAN in an affair a few weeks ago. He says that ARAMAN will not expect Khoury to doublecross him this time.

16. To BLEMENT, Khoury will be the one who is trying to help BLEMENT in his dealings with ARAMAN, in fact Khoury will in a sense be sent to see ARAMAN by BLEMENT. To ARAMAN, Khoury will therefore be BLEMENT's emissary - BUT he will give ARAMAN the impression that he wants to put some of his own money in the affair. This money will be

BLEMENT's, which Khoury will not tell ARAMAN about. He will give the money to ARAMAN, who will buy the narcotics with it and a further sum of his own. Khoury will have ARAMAN use his own means of smuggling to Italy or Switzerland, for delivery to BLEMENT. Khoury adds that when ARAMAN makes the purchase, we can seize the narcotics here in Beirut from ARAMAN, when he prepares it, at a place known of course to his "partner" Khoury, for shipment. Or, if the affair has gone in such a way that successful prosecution can be foreseen, we can seize in Italy (or Switzerland) when BLEMENT takes delivery from ARAMAN's couriers; we can try to have ARAMAN there, too.

17. All the above is the first ~~is~~ general, sketchy conception worked out as an example of one possible utilization of Khoury. He likes this plan. There are many bugs in the scheme as it stands, and in fact the whole formulation could be changed radically upon further study. But it does give an idea of what Khoury is prepared to do, the efforts he is willing to expend to get ARAMAN and any of the French customers.

18. I could work over the scheme, or formulate a new one, and intend to do so. Here, I merely wished to get the first ideas on paper for your information, and to let you have a chance to mull them over.

19. Khoury is willing to talk over a plan to make a case against Ali HALAWI, whom he claims to be the second big source of supply, after ARAMAN, now in Beirut. I think he is right about that.

20. Khoury has told me that he knows, from the recent affair in which he says he helped ARAMAN (see paragraph 15.), that ARAMAN is using a new system to smuggle. Khoury knows a lot about this that he is not telling, I suspect. He says that ARAMAN no longer uses automobiles, nor does he use ships (HALAWI does this latter trick). ARAMAN uses non-Lebanese passengers on commercial airliners, destination possibly, but not surely, France: Khoury hinted that Brussels, Switzerland or Spain might be the aircraft's destination, with further smuggling (to France) to follow. Until we agree to use him, Khoury does not want to say more, I believe; I am sure he knows much more, as I say, about the smuggling modus operandi, and that one of the places he mentioned is to his certain knowledge the right one. Note that ARAMAN has travelled recently to Brussels, Switzerland and Spain. As a hunch, I think that Spain is the right place.

21. Khoury wants some agreement with us before he says too much; as before, in any event, he does not want to discuss his own past affairs, except as they could give us

ammunition against the old customers whom he hates. I have tried to allay his fears that he will talk himself into a conspiracy indictment by dint of telling us about criminal acts on the part of his old cronies - with whom he was himself involved in illegal ventures. In time, I think, his suspicion of our intentions can be calmed.

22. Now, he wants to know whether, in principle, according to the foregoing plan or in some other way, we will agree to use him, giving him a guarantee that he will not, for one example, be tricked into entering France to be arrested. He asks also that we be sure that local Swiss or Italian police not be allowed, in the event he has meetings with foreign traffickers under our supervision, to use such meetings in involving him in charges of consorting with criminals, etc. To this last he ~~is~~ requests our word that we will not let him go ahead in his work for us, then put him in any resulting case as a co-defendant: he specifies that he asks this only on the understanding that he do no business, have no discussions, take no action, other than at our direction.

23. MA, as usual, stands with Khoury in this, as guarantee to us (!) of Khoury's sincerity and as guarantee to Khoury of our good faith. Khoury is still the big-time gangster and old fox of a trafficker: he does not trust us entirely, and is, although I have not gone into this aspect above, wary in his statements at themoment. He is still feeling us out.

24. To my mind, there is every chance that Khoury plans to re-enter the business with Europe once he has eliminated ARAMAN and perhaps HALAWI as well. One way or another, he would do this ~~now~~ whether we used him or not, I am sure. I know it is almost S.O.P. to ~~not~~ suspect that such a man as Khoury wants to go to Europe under our aegis as it were, to carry on his own transactions under this cover - thereby fooling us and giving himself a come-back ("I was working for them") if he get into trouble later. However, I have faith in our powers of control over his actions there, and, most important, I do not see why he wo ld go to all this trouble of getting involved with us when he can, as he says, send anyone he wants to have conversation with customers in Europe - or summon such buyers here.

25. I should like to repeat that the general scheme outlined above is, I know very well, hazy and full of to-be-corrected details; what I wanted to do was, however, give an idea of the raw material available, so to speak. Grosso modo, the outcome to be expected can be foreseen: ARAMAN is caught with narcotics he has bought on his own; a really big-time French trafficker is either arrested or loses an awful lot of money.

26. A further and in a way entirely different aspect occurs to me, and I am sure it has already occurred to you: namely, the possibility of using Khoury, in many meetings with various traffickers, as a tool in starting a truly big international conspiracy case. This has never really been done or even tried, except possibly by the French in a small way (against Khoury) and the Italians (against MOLINELLI on a purely national scale but using information from many foreign colleagues). The thought has been in my mind for sometime that we all, our office and our foreign associates, shall someday have to give a lot of study to such an aim, as supplement to our usual MO. of pure buy/possession cases. You are more competent than I to consider this idea.

27. Khoury and MA insist that it is out of the question for Khoury to go to Europe unless I accompany him and thus stand behind my guarantee of no tricks. I have told them that I am busy out here and cannot leave, and that you are not only the boss but present in Europe, where much of his work will take place. Therefore, I proposed that Khoury meet with you. Khoury will not, as of this writing, even go to see you on his own. He finally agreed that he would go if MA would accompany him. I do not like this too much, because we should then get into the matter of expenses for MA.

28. Khoury insists that if he is to work, it must be with me or, he now concedes, with you. I have agreed, to give him confidence, but naturally we can put him with an agent in Europe once he has cooled down and got used to the idea of working with us on our terms- an idea he will have to come to accept, of course. It is a bit like handling Ralph QUASARANO, if such an American big shot should be considering cooperating: the analogy is not too far-fetched, given Khoury's position in the Middle East (and European for that matter) underworld. The key to this matter is, in fact, that Khoury ~~maxxim~~ is not a bum or in need of us. At least in his own mind, and in the minds of members of the underworld around here, a very big deal.

29. I shall try to get him to take a plane, to be met at Rome by you. There may well be visa trouble with the Italians. Do you think it possible that you might be able to come here to inspect, see Khoury, and in general have a conference? Except that I should want to avoid having Khoury think you came just to see him (for I do not let him think that I agree he is such a big deal), this would solve a lot of problems.

30. Please let me know your ideas soon. I have made this report in the present form because the material is too hazy and preliminary to reduce to a proper memo now, and also because

I think that an informal study by us both would help me to see more clearly what path we might best take here.

31. Khoury will not ~~leave Lebanon~~^{MOVE} until he receives your message, through me, to stay here and await your arrival in Beirut on other business, or to come to Rome - assuming that, I can get him to take the trip alone. *IF HE CAN GET A VISA,*

Paul E. Knight

Paul E. Knight
Narcotic Agent